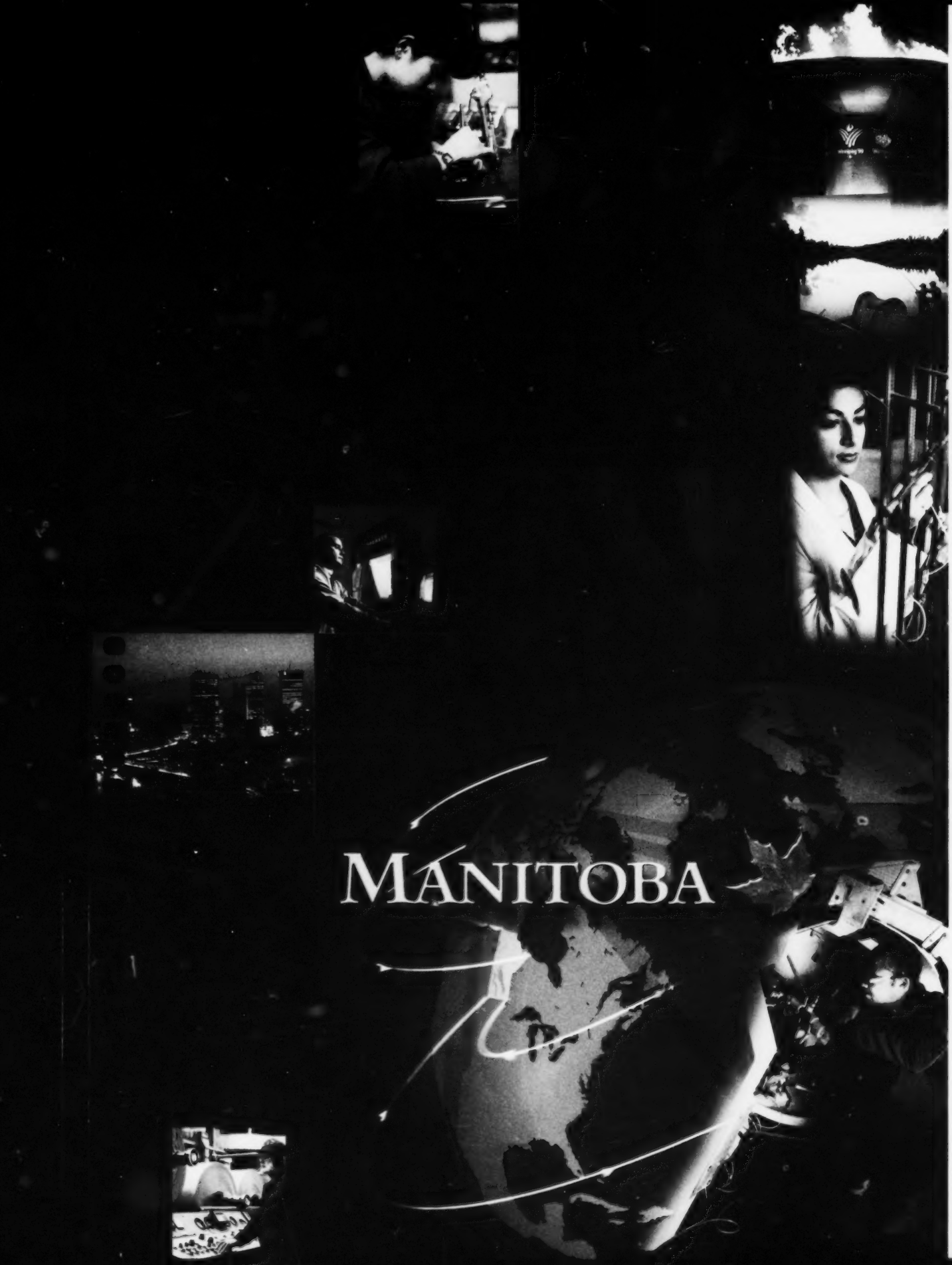
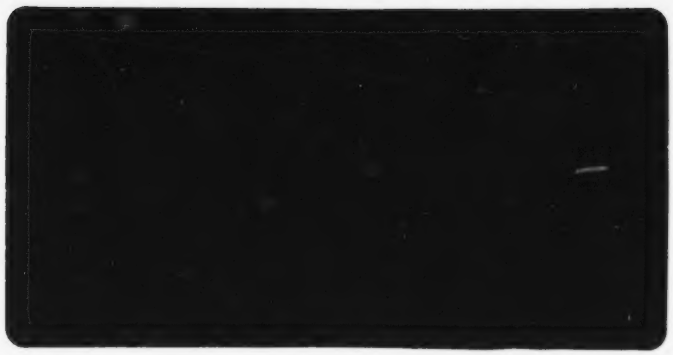


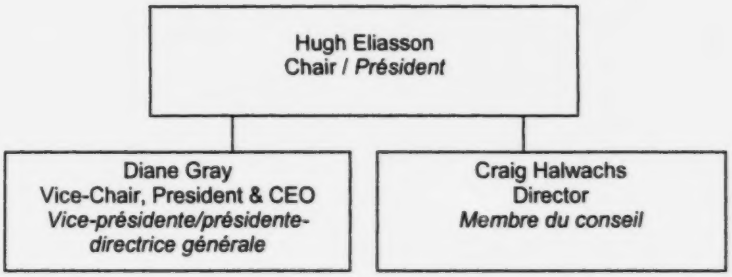
MANITOBA
TRADE AND
INVESTMENT



MANITOBA TRADE AND INVESTMENT CORPORATION
ANNUAL REPORT 2007/08

SOCIETE DU COMMERCE
ET DE L'INVESTISSEMENT DU MANITOBA
RAPPORT ANNUEL 2007/08

Board of Directors
Conseil d'administration



The Manitoba Trade and Investment Corporation (MTIC) is a provincial agency of Manitoba Competitiveness, Training and Trade. As an administrative mechanism, the Corporation supports the economic priority of building the Manitoba economy through increased exports and industry investment. The Corporation facilitates cost-sharing partnerships for specific projects and provides administrative support for missions by collecting revenues and paying related expenditures.

Canada-Manitoba Memorandum of Understanding for International Business Development
Economic development is a co-operative effort, and MTIC encourages and facilitates co-operation with other provincial, federal and civic economic development agencies. A key example is the high level of co-operation between the Province and the federal government arising from a Memorandum of Understanding (MOU) to promote international business development.

MTIC acts as the coordinator of the MOU on behalf of the partners. It provides a part-time Coordinator and manages the cost-sharing of MOU projects.

Exporter Development – International Trade Development concentrates on new exporter development and trade promotion for a two-fold purpose – to increase the number of Manitoba companies that are active exporters and to increase their market diversification. MTIC's role is to provide a project cost-sharing mechanism among Manitoba firms and government entities.

La Société du commerce et de l'investissement du Manitoba est un organisme provincial qui relève de la Compétitivité, Formation professionnelle et Commerce Manitoba. En tant que mécanisme administratif, la Société soutient la priorité économique d'agrandir l'économie du Manitoba par l'augmentation des exportations et des investissements dans les industries manitobaines. La Société facilite les partenariats financiers pour des projets précis et offre un soutien administratif pour les missions d'affaires par le recouvrement des recettes et du paiement des dépenses liées aux projets.

Protocole d'entente Canada-Manitoba concernant le développement du commerce international – Le développement économique étant véritablement un effort de co-opération, la Société du commerce et de l'investissement du Manitoba encourage et facilite la co-opération avec d'autres organismes provinciaux, fédéraux et municipaux de développement économique. À titre d'exemple, mentionnons le niveau élevé de co-opération entre la province et le gouvernement fédéral dans le cadre d'un protocole d'entente (PE) visant à promouvoir le développement commercial international.

La Société assure la coordination du PE, au nom des partenaires. Elle fournit un coordinateur à temps partiel et gère le partage des frais des projets du PE.

Développement des marchés d'exportation – Le développement du commerce international est axé sur le développement de nouveaux marchés d'exportation et la promotion du commerce afin d'augmenter le nombre d'entreprises manitobaines qui exportent activement et d'accroître la diversification de leurs marchés. Le rôle de la Société consiste à fournir un mécanisme de répartition des coûts des projets parmi les entreprises et les organismes gouvernementaux du Manitoba.

MINISTER OF COMPETITIVENESS,
TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2008.

Respectfully submitted,

Andrew Swan
Minister

MINISTER OF COMPETITIVENESS,
TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

L'honorable John Harvard
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur:

J'ai le plaisir de présenter à Votre Honneur le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice se terminant le 31 mars 2008.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Andrew Swan
Ministre

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Minister of Competitiveness, Training and Trade
Room 358 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2008, as required by Section 15 of the *Manitoba Trade and Investment Corporation Act*.

Respectfully submitted,

Hugh Eliasson
Chair

Diane Gray
President

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Ministre de la Compétitivité, de la Formation professionnelle et du Commerce
Manitoba
Palais législatif, bureau 358
Winnipeg (Manitoba) R3C 0V8

Monsieur le ministre:

Nous avons le plaisir de vous présenter le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice qui s'est terminé le 31 mars 2008, tel que le stipule l'article 15 de la *Loi sur la Société du commerce et de l'investissement du Manitoba*.

C'est avec respect, Monsieur le ministre, que nous vous soumettons ce document.

Le président,

Hugh Eliasson

La présidente,

Diane Gray

Manitoba Trade and Investment Corporation

Financial Statements

March 31, 2008

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

June 12, 2008

THE MANITOBA TRADE AND INVESTMENT CORPORATION
MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies are established and respected.

The statements are examined by the Office of the Auditor General of Manitoba, whose opinion is included herein. The Auditor General has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.

Hugh Eliasson
Chair

Brian Johnston
Financial Officer

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Trade and Investment Corporation

We have audited the balance sheet of the Manitoba Trade and Investment Corporation as at March 31, 2008, and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoba Trade and Investment Corporation as at March 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 12, 2008

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

MANITOBA TRADE AND INVESTMENT CORPORATION
BALANCE SHEET
MARCH 31, 2008
(With Comparative Figures for 2007)

ASSETS	2008	2007
Current Assets:		
Cash	$ 337,790	$ 320,305
Short-term investments	500,000	500,000
Accounts Receivable - Trade	2,731	6,845
Accounts Receivable - Province of Manitoba	-	24,947
Total Current Assets	840,521	852,097
TOTAL ASSETS	$ 840,521	$ 852,097
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 17,516	$ 32,204
Deferred Revenue (Note 6)	-	16,850
Operating Advance Payable (Note 3)	500,000	500,000
Total Current Liabilities	517,516	549,054
TOTAL LIABILITIES	517,516	549,054
RETAINED EARNINGS	323,005	303,043
TOTAL LIABILITIES AND RETAINED EARNINGS	$ 840,521	$ 852,097

See accompanying notes to financial statements.

Approved by:

Chair of the Board

Financial Officer

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2008
(With Comparative Figures for 2007)

	2008	2007
Revenue:		
Salaries and Benefits Recoveries (Notes 2f , 4 and 5)	$ 276,657	$364,112
Participation Fees - Province of Manitoba & Government Enterprises (Notes 2f and 5)	10,258	2,833
Participation Fees - Other (Note 2f)	75,128	32,760
Interest (Note 5)	20,612	19,696
Total Revenue	382,655	419,401
Expenses:		
Salaries and Benefits (Note 4)	276,657	364,112
Contract Fees	6,273	9,103
Program	68,919	30,419
Audit Fees	10,660	6,100
Legal Fees	69	-
Miscellaneous	115	151
Total Expenses	362,693	409,885
Net Income and Comprehensive Income for the Year	19,962	9,516
Retained Earnings, beginning of year	303,043	293,527
Retained Earnings, end of year	$ 323,005	$303,043

See accompanying notes to financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008
(With Comparative Figures for 2007)

	2008	2007
Operating Activities:		
Net Income and Comprehensive Income for the year	$ 19,962	$ 9,516
Changes in non-cash working capital		
Accounts Receivable - Trade	4,114	15,922
Accounts Receivable - Province of Manitoba	24,947	(4,129)
Accounts Payable and Accrued Liabilities	(14,688)	(690)
Deferred Revenue	(16,850)	16,850
Net cash flow from operating activities	17,485	37,469
Net increase in cash for the year	17,485	37,469
Cash, beginning of year	320,305	282,836
Cash, end of year	$ 337,790	$ 320,305

See accompanying notes to financial statements.

1. Nature of Operations and Economic Dependence

The Manitoba Trade and Investment Corporation (the Corporation) was formed by an Act of the Legislature in 1974. The objectives of the Corporation, as set out in the Act, are to:

- encourage, promote, develop and increase Manitoba exports and trade;
- promote investment in Manitoba; and
- promote international business opportunities for Manitoba businesses and assist Manitoba businesses in promoting those business opportunities.

The Corporation is economically dependent on the Province of Manitoba as all project deficits incurred by the Corporation are recovered from the Province.

2. Significant Accounting Policies

a. General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

b. New Accounting Policies

Effective April 1, 2007 the Corporation adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1506, Accounting Changes
Section 1506 requires that voluntary changes in accounting policies are made only if they result in the financial statements providing reliable and more relevant information. Additional disclosure is required when the Corporation has not yet applied a new primary source of Canadian GAAP that has been issued but is not yet effective, as well as when changes in accounting estimates and errors occur. The adoption of this revised standard had no material impact on the Corporation's financial statements for the year ended March 31, 2008.

Section 1530, Comprehensive Income
Section 1530 requires the presentation of a statement of comprehensive income and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represent the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available for sale financial assets and changes in fair value of the effective portion of cash flow hedging instruments. The Corporation has not recognized any adjustments through other comprehensive income for the year ended March 31, 2008. Because the Corporation has no items related to other comprehensive income, comprehensive income is equivalent to net income.

Section 3855, Financial Instruments – Recognition and Measurement
Section 3855 prescribes the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. Under this section, financial assets and liabilities are initially recorded at fair value. This section also addresses how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Corporation is required to designate its financial instruments into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The Corporation has designated its financial instruments as follows:

Cash and short term investments are either held by or invested with the Province of Manitoba. These financial instruments are classified as financial assets held for trading and are measured at fair value with gains and losses recognized in net income for the year. Due to the relatively short period to maturity of these financial assets, the carrying values approximate their fair values.

Accounts receivable are classified as loans and receivables. These financial assets are recorded at their amortized cost using the effective interest rate method.

Accounts payable, accrued liabilities and operating advance payable are classified as other financial liabilities. These financial liabilities are recorded at their amortized cost using the effective interest rate method.

The adoption of this revised standard had no material impact on the Corporation's financial statements for the year ended March 31, 2008.

c. Financial Instruments

The Corporation's financial instruments consist of cash, short term investments, accounts receivable, accounts payable, accrued liabilities and operating advance payable.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The fair value of accounts receivable, short term investments, accounts payable, accrued liabilities and operating advance payable approximates their carrying values due to their short-term maturity.

d. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

e. Future Accounting Policy Changes

The CICA has issued two new standards, CICA 3862: *Financial Instruments – Disclosures* and CICA 3863: *Financial Instruments – Presentation*, which enhance the abilities of users of financial statements to evaluate the significance of financial instruments to a Corporation, related exposures and the management of these risks.

The CICA has also issued a new standard, CICA 1535: *Capital Disclosures,* which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Corporation's objectives, policies and processes for managing capital.

These changes in accounting policies, which will be adopted, effective April 1, 2008, will require additional disclosures in the financial statements.

f. Revenue Recognition

Salaries and benefits recoveries is recognized when services are rendered and when collection is reasonably assured.

Participation fees are recognized as revenue in the same period that the shows, seminars and projects sponsored by the Corporation are actually held. Fees received in advance of event days are reflected as deferred revenue.

g. Contributed Services

During the year, the Province of Manitoba provided office space and other administrative services to the Corporation at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

3. Operating Advance Payable

The Corporation has a $500,000 non-interest bearing working capital advance from the Province of Manitoba. The advance is payable on demand.

4. Salaries / Benefits and related Recoveries

Up to January 18, 2008 the Corporation employed a number of staff, and recovered the associated salaries and benefits costs , from the Department of Competitiveness , Training and Trade. Effective January 19, 2008, all the Corporation's employees were transferred to the Department of Competitiveness, Training and Trade, and are no longer employees of the Corporation.

5. Related Party Transactions

The Corporation is related in terms of common ownership to all departments, Crown organizations and government enterprises created by the Province of Manitoba. The Corporation enters into transactions with these entities in the normal course of business. The Corporation records these transactions at the exchange amount, which is the amount, agreed upon by both parties.

During the year, the Corporation's transactions with related entities were as follows:

Salaries and Benefits Recoveries	$276,657
Participation Fees	$10,258
Interest Revenue	$20,612

6. Deferred Revenue

Deferred revenue represents fees received in advance of event days for specific trade projects. Changes in the deferred balance are as follows:

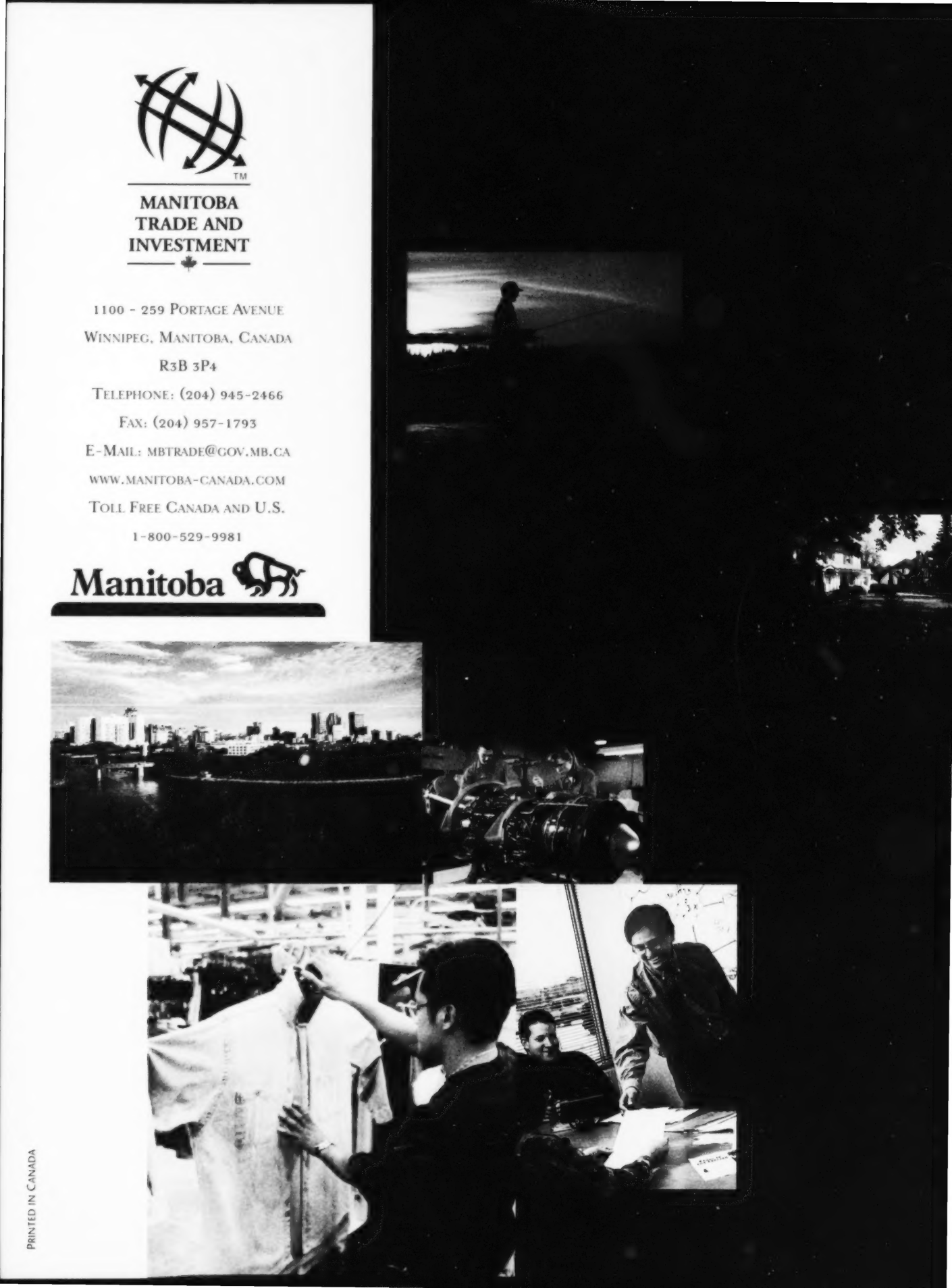
	2008 $	2007 $
Balance, beginning of year	16,850	-
Less amount recognized as revenue in the year	(16,850)	-
Add amounts received and deferred during the year	-	16,850
Balance, end of year	-	16,850

7. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for their help and encouragement in 2007/08. We look forward to continuing good relations in the coming year.

Nous remercions tous nos partenaires pour leur assistance et encouragement en 2007/08.



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